



COPPER LAKE
RESOURCES LTD

Condensed Interim Financial Statements

**For the Three and Six Months Ended
April 30, 2019**

(Expressed in Canadian dollars)

Unaudited – Prepared by Management

Copper Lake Resources Ltd.

The accompanying unaudited condensed interim financial statements of Copper Lake Resources Ltd. for the three and six months ended April 30, 2019 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that these unaudited condensed interim financial statements have not been reviewed by its auditor.

Copper Lake Resources Ltd.
Condensed Interim Statements of Financial Position
As at April 30, 2019

(Unaudited)
(Expressed in Canadian dollars)

As at	April 30, 2019	October 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,586	\$ 3,847
HST receivable	717	3,600
Prepaid expenses	-	9,425
	2,303	15,247
Mineral property interests (note 3)	2,614,862	2,614,862
Total assets	\$ 2,617,765	\$ 2,630,109
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 281,663	\$ 272,414
Advances from shareholder (note 6)	24,936	-
	306,599	272,414
Convertible debentures (note 4)	94,665	90,638
Total liabilities	401,264	363,052
Shareholders' equity		
Capital stock (note 5)	15,885,549	15,885,549
Reserves	417,478	445,908
Equity component of convertible debt (note 4)	35,890	35,890
Deficit	(14,123,016)	(14,100,290)
	2,215,901	2,267,057
Total liabilities and shareholders' equity	\$ 2,617,165	\$ 2,630,109

On behalf of the Board:

"Terrence MacDonald" Director

"Gary O'Connor" Director

The accompanying notes are an integral part of these condensed interim financial statements

Copper Lake Resources Ltd.
Condensed Interim Statements of Comprehensive Loss
For the Three and Six Months Ended April 30

(Unaudited)

(Expressed in Canadian dollars, except per share amounts)

	Notes	Three months ended April 30		Six months ended April 30	
		2019	2018	2019	2018
		\$	\$	\$	\$
Expenses					
Accretion of interest on convertible debentures		2,071	1,647	4,027	3,203
Exploration and evaluation expenditures		777	516,041	3,247	536,176
General and administration		145	12,090	700	20,724
Interest and bank charges	5	3,439	1,611	7,115	5,062
Investor relations		-	7,788	9,345	7,788
Management and advisory fees	5	6,000	13,058	12,000	13,058
Professional fees		3,313	1,447	3,431	9,363
Share-based compensation	5	1,330	19,506	1,330	141,111
Transfer agent and regulatory		9,487	22,913	11,291	29,078
Net loss and comprehensive loss for the period		\$26,562	\$596,101	\$ 52,486	\$ 765,563
Basic and diluted loss per share		\$ (0.001)	\$ (0.005)	\$ (0.001)	\$ (0.007)
Weighted average common Shares outstanding		119,552,185	105,692,185	119,552,185	105,692,185

The accompanying notes are an integral part of these condensed interim financial statements.

Copper Lake Resources Ltd.
Condensed Interim Statements of Changes in Shareholders' Equity
For the Six Months Ended April 30

(Unaudited)

(Expressed in Canadian dollars)

	Capital stock		Share-based payments reserve	Equity component of convertible debt	Deficit	Total
	Shares	Amount				
		\$	\$	\$	\$	\$
Balance, October 31, 2017	103,942,185	15,111,244	281,854	35,890	(13,125,587)	2,303,401
Private placement	15,410,000	770,500	-	-	-	9,900
Share issuance costs	-	(6,195)	1,995	-	-	(4,200)
Share-based payments	200,000	10,000	-	-	-	10,000
Share-based compensation	-	-	141,111	-	-	141,111
Net loss and comprehensive loss for the period	-	-	-	-	(765,563)	(765,563)
Balance, April 30, 2018	119,552,185	15,885,549	424,960	35,890	(13,891,150)	2,455,249
Balance, October 31, 2018	119,552,185	15,885,549	445,908	35,890	(14,100,290)	2,267,057
Transfer on expiry of options	-	-	(29,760)	-	29,760	-
Share-based compensation	-	-	1,330	-	-	1,330
Net loss and comprehensive loss for the period	-	-	-	-	(52,486)	(52,486)
Balance, April 30, 2019	119,552,185	15,885,549	417,478	35,890	(14,123,016)	2,215,901

Copper Lake Resources Ltd.
Condensed Interim Statements of Cash Flows
For the Three and Six Months Ended April 30

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended		Six months ended	
	April 30, 2019	April 30, 2018	April 30, 2019	April 30, 2018
			\$	
Cash flows (used in) from operating activities:				
Net loss and comprehensive loss for the period	(26,562)	(596,101)	(52,486)	(765,563)
Items not involving cash:				
Accretion of interest on convertible debt	2,071	1,647	4,027	3,203
Share-based payments	1,330	19,506	1,330	121,605
Change in non-cash working capital items:				
HST receivable	3,138	(67,600)	2,883	(73,083)
JEAP Grant receivable	-	(100,000)	-	(100,000)
Prepaid expenses	10,360	(3,645)	9,425	(10,715)
Accounts payable and accrued liabilities	(3,865)	164,806	9,249	42,594
	(13,528)	(581,387)	(25,572)	(781,959)
Cash flows (used in) from investing activities:				
Exploration and evaluation asset expenditures	-	(20,000)	-	(20,000)
	-	(20,000)	-	(20,000)
Cash flows from financing activities:				
Advance from shareholders	13,965	16,743	24,936	15,466
Unit subscriptions received	-	(35,176)	-	-
Proceeds from issuance of capital stock	-	420,500	-	770,500
Finance costs	-	(4,200)	-	(4,200)
	13,965	397,867	24,936	781,766
Increase (decrease) in cash and cash equivalents	437	(203,520)	(636)	(20,193)
Cash and cash equivalents, beginning of period	1,149	206,680	2,222	3,847
Cash and cash equivalents, end of period	1,586	3,160	1,586	3,160

Copper Lake Resources Ltd.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended April 30, 2018

(Unaudited)

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Copper Lake Resources Ltd. (“Copper Lake” or the “Company”) was incorporated under the laws of the Province of British Columbia and is in the business of exploration and development of mineral resource properties. The address of the Company’s head office is 501 Alliance Avenue – Suite 401, Toronto, Ontario. The Company’s shares are listed on the TSX-V under the trading symbol CPL.

The Company is a mineral exploration company focused on acquiring, exploring and developing mineral property interests in Canada.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has no source of operating cash flows, has not yet achieved profitable operations, has a working capital deficit, has accumulated losses since its inception, expects to incur further losses in the development of its business and has no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. These conditions cast significant doubt about the Company’s ability to continue as a going concern. The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations, and receive continued financial support from its creditors and shareholders.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests.

In the future, the Company may raise additional financing through the issuance of share capital or shareholder loans, however, there can be no assurance that it will be successful in its efforts to do so and that the terms will be favorable to the Company. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Management is actively seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements as at and for the year ended October 31, 2018.

These condensed interim financial statements were authorized for issue by the Board of Directors on July 2, 2019.

Copper Lake Resources Ltd.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended April 30, 2018

(Unaudited)

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION *(Continued)*

Significant accounting policies

The policies applied in these condensed interim financial statements follow the same accounting policies and methods of application as our most recent annual financial statements. Accordingly, they should be read in conjunction with our audited financial statements for the year ended October 31, 2018.

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information is expressed in Canadian dollars unless otherwise stated and have been rounded to the nearest dollar.

Use of estimates and judgments

In preparing these condensed interim financial statements, management made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the impairment of assets.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended October 31, 2017.

3. MINERAL PROPERTY INTERESTS

Marshall Lake Property

The Company entered into an option agreement dated July 6, 2010 with Rainy Mountain Royalty Corp. ("Rainy Mountain") and Marshall Lake Mining Limited ("MLMP") of London, England, whereby the Company was granted an option to earn up to a 50% interest in certain mining claims that comprise the Marshall Lake property located north-northeast of Thunder Bay, Ontario.

On May 5, 2016 the Company announced that it had reached an agreement to acquire the interest in the Marshall Lake property currently held by MLMP, a privately held company based in the United Kingdom. The acquisition subsequently closed on September 29, 2016 and gave Copper Lake a 68.75% interest in the property.

As a result of the acquisition, the Company can earn a 75% interest by incurring cumulative expenditures of \$4,000,000 on the property by July 15, 2018. As at April 30, 2018 the Company has fulfilled the expenditure requirements and now has a 75% interest in the property.

The Company also has the option to increase its interest to 87.5% by incurring such additional property expenditures as are necessary to take the Marshall Lake property to a bankable feasibility stage.

Summit Lake Property

In the summer of 2018, the Company staked additional property as part of a program to expand the Company's interests with a focus on creating a regional play. The Summit Lake Property was staked

Copper Lake Resources Ltd.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended April 30, 2018

(Unaudited)

(Expressed in Canadian dollars)

3. MINERAL PROPERTY INTERESTS (*Continued*)

based on recommendations arising from the reinterpretation of geological and geophysical data completed in late 2016.

The Summit Lake Property currently consists of 100 claim cells comprising an area of 20.5 square km, is accessible year round, and is located immediately west of the Company's 75%-owned advanced exploration Marshall Lake Property. The Summit Lake Property is 100% owned by the Company and is not subject to any royalties.

Sollas Lake Property

In the summer of 2018, the Company staked additional property as part of a program to expand the Company's interests with a focus on creating a regional play. The Sollas Lake Property currently consists of 20 claim cells comprising an area of 4.1 square km, is accessible year round by road, and is located east of and adjoins (abuts) the Company's 75%-owned advanced exploration Marshall Lake Property in the Central Wabigoon Subprovince. The Sollas Lake Property is 100% owned by the Company and is not subject to any royalties or encumbrances.

Norton Lake Property

The Company entered into a Joint Venture Assignment Agreement dated on January 21, 2009 with Cascadia International Resources Inc. of Calgary, Alberta ("Cascadia"), pursuant to which Cascadia assigned its 51% joint venture interest in the Norton Lake property to the Company for the sum of \$300,000. The other joint venture partners are Rainy Mountain and White Metals Resources Corp. ("White Metals"). The property is located north of Thunder Bay, Ontario and the Company is the operator. The Norton Lake Project consists of two properties, namely, the Norton West Property (the principal property) and the Norton East Property. Joint venture expenditures are being recorded by each joint venture partner on a cash call basis and as a result of the programs completed by the Company on the Norton West Property, the Company had a 57.6% interest in the Norton West Property (with Rainy Mountain having a 32.6% interest and White Metals having a 9.8% interest) and a 51% interest in the Norton East Property (with Rainy Mountain having a 9.8% interest and Trillium having a 39.2% interest). By agreement dated February 21, 2012, the Company, Rainy Mountain and White Metals combined and consolidated their respective interests in the Norton West and Norton East Properties, and as a result, the Company has a 60.70% interest in the combined Properties (with Rainy Mountain having a 30.21% interest and White Metals having a 9.09% interest). On June 29, 2015, the Company announced that it had acquired the remainder of White Metals' 9.09% interest in the Norton Lake property, thus increasing its ownership position to 69.79%.

During the year ended October 31, 2018 the Company performed certain work at the two camps on the property and incurred expenses in the amount of \$20,920. As Rainy Mountain did not contribute their portion of the costs, the Company's interest in the property has increased to 71.41%.

Northwestern Ontario Gold Properties

On March 7, 2017, the Company announced that it had entered into a mineral property option agreement to acquire up to 100% of four separate properties made up of seven claims. The properties are situated in the Kenora and Patricia mining divisions in Northwestern Ontario and are known as the Queen Alexandria Gold Property, the Mine Lake Gold Property, the Grand Chibougamau Gold Property and the Centrefire-Redhat Gold-Copper Property, collectively the NWO Gold Properties.

Copper Lake Resources Ltd.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended April 30, 2018

(Unaudited)

(Expressed in Canadian dollars)

3. MINERAL PROPERTY INTERESTS *(Continued)*

Copper Lake can earn 25% interest of these properties by payment of \$200,000 and 400,000 shares, which were made in the year ended October 31, 2017. To earn 75% Copper Lake needs to pay \$60,000 and issue 600,000 shares over 3 years and spend at least \$2,000,000 on the properties. Copper Lake can earn up to 100% interest by completing a 43-101 compliant resource estimate with 500,000 ounces on the properties and payment of 250,000 shares.

The Optionor will retain a 2% net smelter royalty (“NSR”). Copper Lake can acquire half (1%) of the NSR for \$1 million and will have a right of refusal to acquire the remaining 1%.

The Company’s acquisition costs on the mineral property interests are as follows:

	Marshall Lake Property	Norton Lake Property	NOW Gold Properties	Total
Balance, October 31, 2016	\$ 2,539,262	\$ -	-	\$ 2,539,262
Acquisition costs	-	-	36,000	36,000
Balance, October 31, 2017	\$ 2,539,262	\$ -	36,000	\$ 2,575,262
Acquisition costs	-	-	30,000	30,000
Balance, April 30, 2018	\$ 2,539,262	\$ -	66,000	\$ 2,605,262
Acquisition costs	-	-	-	-
Balance, April 30, 2019	\$ 2,539,262	\$ -	66,000	\$ 2,605,262

Exploration and evaluation expenses

Details of the Company’s exploration and evaluation expenditures, which have been cumulatively expensed in the statement of loss and comprehensive loss, net of JEAP grants of \$172,642, are as follows:

	Marshall Lake Property	Norton Lake Property	NWO Gold Properties	Total
For the six months ended April 30, 2019				
Claims management	102	-	-	102
Property taxes and lease rent	1,795	-	-	1,795
Storage	1,350	-	-	1,350
Expenditures of the period	3,247	-	-	3,247
Cumulative balance - October 31, 2018	3,990,434	840,784	22,294	4,853,512
Cumulative balance – April 30, 2019	\$ 3,942,035	\$ 834,909	\$ 1,227	\$ 4,778,171

Copper Lake Resources Ltd.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended April 30, 2018

(Unaudited)

(Expressed in Canadian dollars)

3. MINERAL PROPERTY INTERESTS *(Continued)*

For the six months ended April 30, 2018	Marshall Lake Property	Norton Lake Property	NWO Gold Properties	Total
Assays	33,834		▫	33,834
Core shack	13,409	-	-	13,409
Drilling	510,161		-	510,161
Equipment rental	6,456		-	6,456
Field office	35,350	-	-	35,350
Property taxes and lease rent	2,144	-	-	2,142
Roads and access	17,128		-	17,128
Site remediation	-	15,045	-	15,045
Storage	900	-	-	900
Transportation	1,750		-	1,750
Expenditures of the period	621,132	15,045	-	636,177
JEAP Grant	(100,000)	-	-	(100,000)
Expenditures for the period, net of JEAP Grant	521,132	15,045	-	536,177
Cumulative balance - October 31, 2017	3,417,656	819,864	1,227	4,238,747
Cumulative balance – April 30, 2018	\$ 3,938,788	\$ 834,909	\$ 1,227	\$ 4,774,924

4. CONVERTIBLE DEBENTURES

	Principal Amount	Liability Component	Equity Component
Balance October 31, 2017	\$ 112,500	\$ 83,843	\$ 35,890
Accretion	-	3,203	-
Balance October 31, 2018	\$ 112,500	\$ 87,046	\$ 35,890
Accretion	-	4,027	-
Balance April 30, 2019	\$ 112,500	\$ 91,073	\$ 35,890

On April 28, 2016 the Company closed a \$420,000 non-brokered private placement of convertible debentures. The unsecured subordinated convertible debentures bear interest at 12% per annum, calculated annually and have a term of five years from the date of issue. At the date of issue \$285,845 was allocated to the liability component of the convertible debenture and the residual amount of \$134,155 was allocated to the equity component, based on an effective interest rate of 20%.

The debentures are convertible into units at the rate of \$0.05 for the first year and \$0.10 thereafter. Each unit is comprised of one common share and one common share warrant of the Company. Each common share warrant entitles the holder to purchase one additional common share of the Company at an exercise price equal to the conversion price at the time of issuance of the warrants. The warrants will expire on the date which is the earlier of (a) four years from the date of issuance of the warrant, and (b) April 28, 2021.

Prior to April 28, 2017, debentures with a face value of \$307,500 were converted into units at the rate of \$0.05, resulting in the issuance of 6,150,000 common shares and 6,150,000 warrants.

Copper Lake Resources Ltd.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended April 30, 2018

(Unaudited)

(Expressed in Canadian dollars)

5. RELATED PARTY TRANSACTIONS

The following are related party transactions that have occurred during the three and six months ended April 30, 2018, which have not otherwise been disclosed herein.

The Company paid or accrued the following amounts to directors, companies controlled by directors or companies having common directors during the three and six months ended April 30, 2017:

	Three months ended April 30		Six months ended April 30	
	2019	2018	2019	2018
Interest accrued on convertible debentures	\$ 3,000	3,000	\$ 6,000	\$ 6,000

Key management compensation

Key management includes directors and other key personnel, including the CEO, President and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company. The compensation paid to these key management personnel for the three and six months ended April 30, 2019 and 2018 is outlined below:

	Three months ended April 30		Six months ended April 30	
	2019	2018	2019	2018
Management and director fees	\$ 6,000	\$ 6,000	\$ 12,000	\$ 6,000
Share-based compensation	-	-	-	52,635
	\$ 6,000	\$ 6,000	\$ 12,000	\$ 58,635

Included in accounts payable and accrued liabilities as at April 30, 2019 is \$73,513 (October 31, 2018 - \$66,372) owed to directors and officers, companies controlled by former directors or companies having certain directors in common.

The advances from shareholder in the amount of \$24,936 are non-interest bearing and have no terms of repayment.

5. CAPITAL STOCK

The common shares of the Company are entitled to one vote per share at meetings of the shareholders of the Company, and upon dissolution or any other distribution of assets, to receive pro rata such assets of the Company as are distributable to the holders of common shares.

The Company is authorized to issue unlimited common shares without par value.

There were no shares issued during the six months ended April 30, 2019.

During the six months ended April 30, 2018, the Company completed the following transaction:

- a) On December 28, 2017 the Company closed the first tranche of a non-brokered private placement of units and issued 7,000,000 flow-through units, with each unit consisting of one flow-through common share and one-half of one common share purchase warrant, for gross proceeds of \$350,000. Each full warrant is exercisable into one common share at \$0.10 for 24 months from the date of issuance.
- b) On January 30, 2018 the Company announced that it was increasing the maximum amount of the private placement to \$750,000 and extending the closing date to March 1, 2018. On February 28, 2018 the company announced that had closed the second and final tranche of the private placement

Copper Lake Resources Ltd.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended April 30, 2018

(Unaudited)

(Expressed in Canadian dollars)

receiving \$420,500 from the issuance of a further 5,500,000 flow-through units and 2,910,000 non flow-through units. Each non flow-through unit was issued at \$0.05 and consists of one common share and one full common share purchase warrant, with each warrant being exercisable at \$0.08 for 24 months from the date of issuance. The company also issued 66,500 broker warrants in connection with the financing, with the same terms as the warrants issued in the financing.

- c) On March 15, 2018 the Company issued 200,000 shares in connection with the NWO Gold Properties option, as well as made a payment of \$20,000.

The following options were outstanding as at April 30, 2019 and October 31, 2018:

	April 30, 2019		October 31, 2018	
	Number of Options	Weighted Ave Exercise Price	Number of Options	Weighted Ave Exercise Price
Opening balance	9,700,000	0.051	5,600,000	0.051
Granted	100,000	0.050	4,100,000	0.052
Expired	(950,000)	0.050	-	-
Ending balance	8,850,000	\$0.051	9,700,000	\$0.051
Options exercisable	8,850,000	\$0.051	9,700,000	\$0.051

Expiry Date	Number of Options		Exercise Price
	April 30, 2019	October 31, 2018	
April 6, 2021	1,750,000	2,250,000	0.050
July 29, 2021	2,000,000	2,250,000	0.050
August 8, 2021	100,000	100,000	0.065
September 29, 2021	1,000,000	1,000,000	0.055
January 18, 2023	3,150,000	3,350,000	0.050
March 2, 2020	500,000	500,000	0.050
March 18, 2023	250,000	250,000	0.080
February 11, 2024	100,000	-	0.050
Outstanding	8,850,000	9,700,000	0.051
Exercisable	8,850,000	9,700,000	0.051
Weighted average remaining life	2.74 years	3.17 years	

Share Purchase Warrants

Share purchase warrant transactions are summarized as follows:

	Six months ended April 30, 2019		Year ended October 31, 2018	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance	22,230,936	\$ 0.101	17,678,098	\$ 0.078
Issued	-	-	9,226,500	0.094
Expired	-	-	(4,673,662)	0.050
Ending balance	22,230,936	\$ 0.101	22,230,936	\$ 0.101
Warrants exercisable	22,230,936	\$ 0.101	22,230,936	\$ 0.101

Copper Lake Resources Ltd.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended April 30, 2018

(Unaudited)

(Expressed in Canadian dollars)

5. CAPITAL STOCK *(continued)*

As at April 30, 2019 and October 31, 2018 the following share purchase warrants were outstanding:

Expiry Date	Number of Warrants		Exercise Price
	April 30, 2019	October 31, 2018	
September 29, 2020	4,570,363	4,570,363	\$ 0.055
April 27, 2021	6,150,000	6,150,000	0.050
July 5, 2021	490,800	490,800	0.050
September 26, 2021	1,793,273	1,793,273	0.055
December 28, 2019	3,500,000	3,500,000	0.100
February 28, 2020	2,750,000	2,750,000	0.100
February 28, 2020	2,910,000	2,910,000	0.080
February 28, 2020	66,500	66,500	0.100
Outstanding and exercisable	22,230,936	22,230,936	\$0.070

6. CONTINGENCY

The Company was named in a lawsuit filed in June 2016, by Ronald Coombes (“Coombes”), the former President and CEO and former director, who resigned as President, CEO and director of Copper Lake in February 2016. Coombes is seeking payment for amounts claimed to be owing for consulting fees and reimbursement of expenses and unspecified damages. He is also seeking damages for alleged termination of his consulting agreement. In conjunction with the lawsuit, a prejudgment garnish order was served on the Company which resulted in \$118,390 being held by the BC Supreme Court pending the outcome of the lawsuit. The claims made by Coombes excluding damages total \$137,185. These amounts were recorded

in the records of the Company while Coombes was President and CEO. The Board of Directors retained legal counsel and filed a defense, and also filed a counterclaim for breach of contract and breach of fiduciary duty in July 2016. In October 2016, the Company successfully filed an action to have a second former director added to the counterclaim against Coombes. In July 2018 a Summary Court ruled that the garnished funds be paid to Coombes, and the related account payable in the same amount has been extinguished. The Company plans to continue with its counterclaim against the two former directors. At the present time, management is unable to determine the outcome and potential impact of the claim, if any, and no provision has been booked for the counterclaim as at October 31, 2018.

7. SUBSEQUENT EVENT

On March 19, 2019 the Company announced that it intended to complete a non-brokered private placement for aggregate gross proceeds of up to \$500,000. The offering will comprise up to eight million flow-through units at a price of \$0.025 per flow-through unit and 15 million non-flow-through units at a price of \$0.02 per unit. Each flow-through unit will consist of one flow-through common share and one common share purchase warrant, with each warrant being exercisable at \$0.05 for two years. Each unit will consist of one non-flow-through common share and one full common share purchase warrant, with each warrant being exercisable at \$0.05 for two years. The offering is being made subject to the grant of a discretionary waiver of the TSX Venture Exchange's minimum \$0.05 pricing requirement. The offering is not subject to any minimum aggregate subscription. Subject to certain limitations discussed herein, the

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Three and Six Months Ended April 30, 2018

(Unaudited)

(Expressed in Canadian dollars)

offering is open to all existing shareholders of the company as well as pursuant to other available prospectus exemptions. The offering is subject to TSX-V final acceptance.

On June 18, 2019 the Company announced that it has closed the first tranche of its previously announced non-brokered private placement offering (the “Offering”) of Flow-Through Units (“FT Units”) and Non Flow-Through Units (“NFT Units”) pursuant to which the Corporation issued 2,300,000 FT Units at a price of \$0.025 per unit and 1,175,000 NFT Units at a price of \$0.02 per unit for gross proceeds of \$81,000.

Each FT Unit consists of one flow-through common share and one common share purchase warrant (a “Warrant”), with each Warrant being exercisable at \$0.05 for two years, expiring on June 18, 2021. Each NFT Unit consists of one non flow-through common share and one Warrant.

In connection with the closing of this tranche of the Offering, the Company has paid finders’ fees of \$4,130 and has also issued 166,250 non-transferrable units (“Finder’s Units”) to certain arm’s length finders. Each Finder’s Unit consists of one non flow-through common share and one common share purchase warrant (“Finders’ Warrant”) which entitles the holder to acquire one additional common share of the Company at a price of \$0.05 for a period of 24 months from the closing date.

The proceeds from the issuance of the FT Units will be used to incur qualified Canadian exploration expenses for exploration on the Marshall Lake property. Net proceeds from the issuance of the NFT Units will be used for payment of current liabilities. All securities issuable will be subject to a four-month hold period from the respective closing date.

The Private Placement has been conditionally approved by the TSX Venture Exchange but remains subject to final exchange approval.